

304.18-110 Continuation of group coverage after termination of membership in group -- Notice of eligibility.

- (1) As used in this section:
 - (a) "Group policy" means group health insurance policies as defined in KRS 304.18-020 and blanket health insurance policies which the commissioner, in his discretion, designates as subject to this section, which:
 1. Affect the rights of a Kentucky insured and bear a reasonable relation to Kentucky, regardless of whether delivered or issued for delivery in Kentucky;
 2. Provide hospital or surgical expenses benefits, other than for a specific disease or accidental injury only; and
 3. Are delivered, issued for delivery, or renewed after July 15, 2002;
 - (b) "Medicare" means Title XVIII of the United States Social Security Act as amended or superseded.
- (2) Persons insured under group policies have the right upon termination of group membership to continue coverage for themselves and their dependents upon meeting the following conditions:
 - (a) The group member has been covered by the group policy or any group policy it replaced for at least three (3) months; and
 - (b) Notice is given to the insurer and payment of the group rate is made to the insurer, by the group member, within thirty-one (31) days after notice pursuant to subsection (7) of this section.
- (3) Continued group health insurance coverage shall terminate on the earlier of:
 - (a) The date eighteen (18) months after the date on which the group coverage would otherwise have terminated because of termination of group membership;
 - (b) If the group member fails to make timely payment of premium to the insurance company, the end of the period for which premium payment was made; or
 - (c) The date the group policy is terminated and is not replaced by another group policy within thirty-one (31) days.
- (4) If a group policy is replaced, by a succeeding insurer, persons under the continued group health insurance shall remain covered under the prior insurer's policy until it terminates in accordance with subsection (3) of this section.
- (5) The right to continue group health insurance coverage shall also be available:
 - (a) To the surviving spouse, at the death of the group member, with respect to the spouse and such children whose coverage under the group policy would terminate or terminates by reason of the death of the group member;
 - (b) To a child solely with respect to himself upon termination of membership in the group or his coverage by reason of operation of the limiting age of coverage under the group policy while covered as a dependent thereunder; or
 - (c) To a former spouse for himself and such children of whom he is awarded custody when coverage under the group policy would terminate or terminates

by reason of termination of dependency as defined in the group policy and resulting from an order dissolving the marriage entered by a court of competent jurisdiction.

- (6) Continuation of group health insurance coverage need not be granted in the following situations:
 - (a) On the effective date of coverage, the applicant is or could be covered by Medicare;
 - (b) On the effective date of coverage, the applicant is or could be covered by another group coverage (insured or uninsured).
- (7) Notice of the right to continue group health insurance coverage shall be given as follows:
 - (a) For group policies delivered, issued for delivery, or renewed after July 15, 2002, the insurer shall give written notice of the right to continue group health insurance coverage to any group member entitled to continue coverage under this section upon notice from the group policyholder that the group member has terminated membership in the group. The thirty-one (31) day period of subsection (2)(b) of this section shall not begin to run until the notice required by this paragraph is mailed or delivered to the last known address of the group member;
 - (b) If a group member becomes entitled to obtain continued health insurance coverage, pursuant to this section, and the insurer fails to give the group member written notice of the right, pursuant to this subsection, the insurer shall give written notice to the former group member as soon as practicable after being notified of the insurer's failure to give written notice of continuation rights to the group member and such group member shall have an additional period within which to exercise continuation or conversion rights. The additional period shall expire sixty (60) days after written notice is received from the insurer. Written notice delivered or mailed to the last known address of the group member shall constitute the giving of notice for the purpose of this paragraph. If a group member makes application and pays the premium for continued health insurance coverage within the additional period allowed by this paragraph, the effective date of continued health insurance coverage shall be the date of termination from the group. However, nothing in this subsection shall require an insurer to give notice or provide continuation coverage to a former group member ninety (90) days after termination of the former group member's group coverage.

Effective: July 15, 2002

History: Amended 2002 Ky. Acts ch. 351, sec. 10, effective July 15, 2002. -- Amended 2001 Ky. Acts ch. 120, sec. 1, effective June 21, 2001. -- Amended 2000 Ky. Acts ch. 521, sec. 7, effective July 14, 2000. -- Amended 1996 Ky. Acts ch. 371, sec. 20, effective July 15, 1996. -- Amended 1986 Ky. Acts ch. 153, sec. 1, effective July 15, 1986; and ch. 163, sec. 1, effective July 15, 1986. -- Amended 1984 Ky. Acts ch. 243, sec. 1, effective July 13, 1984. -- Amended 1982 Ky. Acts ch. 406, sec. 11, effective July 15, 1982. -- Amended 1980 Ky. Acts ch. 130, sec. 1,

effective July 15, 1980; and ch. 258, sec. 1, effective July 15, 1980. -- Created 1974
Ky. Acts ch. 195, sec. 1, effective January 1, 1975.